

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON SEPTEMBER 23, 2014
FROM:	JOHN BRAAM, P.ENG. MANAGING DIRECTOR. ENVIRONMENTAL & ENGINEERING SERVICES AND CITY ENGINEER
SUBJECT:	PROPOSED PROCESS FOR LAND LEASES FOR CITY OWNED LAND IN THE VICINITY OF THE W12A LANDFILL AND RESOURCE RECOVERY AREA

RECOMMENDATION

That, on the recommendation of the General Manager of Environmental & Engineering Services and City Engineer the following report **BE RECEIVED** for information.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Relevant reports that can be found at www.london.ca under City Hall (Meetings) include:

- Interim Waste Diversion Plan (July 21, 2014 meeting of the Civic Works Committee (CWC), Item #18)
- Timeline for Major Environmental & Engineering Reports (April 7, 2014 meeting of the CWC, Item #3)
- Updates – Proposed Waste Reduction Act and Related Matters for Financing the Blue Box Program (February 3, 2014 meeting of the CWC, Item #8)
- By-Law for the Execution of the Revised Occupancy Agreement with London Hydro for Ground-Mounted Automatic-Tracking Solar Photovoltaic Energy Systems (September 9, 2013 meeting of the CWC, Agenda Item #3)
- Status Report: Update of Road Map to Maximize Waste Diversion 2.0 (July 22, 2013 meeting of the CWC, Item #14)
- Timeline for Major Environmental & Engineering Reports (February 25, 2013 meeting of the CWC, Item #3)
- Roof Lease Agreement for Employing Solar PV Systems on City of London's Municipal Buildings and Properties (January 8, 2013 meeting of the Corporate Services Committee, Agenda Item #20)
- Phase 1 Strategy for Employing Solar PV Systems on City of London's Municipal Buildings and Properties (September 25, 2012 meeting of the Investment and Economic Prosperity Committee (IEPC), Agenda Item #5)
- Solid Waste Management Updates (April 23, 2012 meeting of the CWC, Item #17)
- By-Law for the Execution of the Occupancy Agreement with London Hydro for Ground-Mounted Automatic-Tracking Solar Photovoltaic Energy Systems (June 19, 2012 meeting of the CWC, Agenda Item #14)

BACKGROUND

PURPOSE:

The purpose of this report is to provide Committee and Council with:

- an update on the potential business opportunities on City-owned lands near the W12A Landfill that are considered buffer (nearby) lands and not identified for potential use as landfill or resource recovery operations, and
- the steps City staff are taking to facilitate these potential opportunities.

CONTEXT:

Over the past year and in previous years, City staff have received a number of enquiries regarding the use of City-owned lands for a variety of projects. Locations include City-owned lands in industrial parks, other City locations, closed landfills, lands near the W12A Landfill Site, etc.

Some examples of the types of potential projects pertinent to this Report being identified under the category of leasing City-owned lands include:

- large-scale solar photovoltaic (PV) power “farms”,
- utility-scale wind turbines in rural areas,
- large scale roof top solar PV installations beside City-owned property to be combined with ground-mounted installations, and
- greenhouses.

With respect to the lands near the W12A Landfill Site that are owned by the City, the current process is to lease the lands as farmland using a public tendering process. This is undertaken every two or three years. The length of contracts is typically in the 3 to 5 year length.

It is worth noting that City staff have recently received an unsolicited business concept dealing with a greenhouse complex that could possibly be situated on land leased from the City near the W12A Landfill Site or at another location in London. This item was identified in an article in the London Free Press (September 11, 2014).

As per standard practice, Realty Services, Environmental & Engineering, Business Liaison and others as required, conducted a preliminary review of the business concept, met with the developer, and provided comments and guidance on several occasions over the past few months. In each circumstance minimal information was provided by the developer which limited staff’s ability to provide a detailed response. The developer was encouraged to prepare a concept plan and apply for site plan consultation which would result in detailed comments prepared and compiled by City staff. The developer chose not to take advantage of this process.

In addition, the developer has been encouraged to solicit opportunities on available land held by the private sector while City staff examine potential opportunities on City-owned property including areas near the W12A Landfill. London Economic Development Corporation (LEDC) has had some preliminary discussion on opportunities and LEDC will be furthering this dialogue.

DISCUSSION:

Vision for the W12A Landfill and Resource Recovery Area and Nearby City-owned Lands

W12A Landfill and Resource Recovery Area

Municipal Council adopted the W12A Landfill Area Plan and the Official Plan and Zoning By-law amendments required to implement the W12A Landfill Area Plan in 2009. The purpose of the W12A Landfill Area Plan is to plan for the continued evolution of the W12A Landfill as an integrated waste management centre that utilizes environmentally responsible and sustainable operations and practices in achieving a high standard of compatibility with its environs and neighbours.

This area could include the expansion of the W12A Landfill but also allows for various resource recovery facilities to be located on these lands. The first resource recovery facility to be sited on these lands was the City’s new Regional Material Recovery Facility built in 2011.

Nearby City-owned Lands

Nearby City-owned lands serve as buffer for potential nuisance impacts such as noise, dust, odour and litter from the landfill and any future resource recovery facilities. These lands also serve to protect encroachment of the landfill and resource recovery area.

Long term plans for these City lands are to have land uses that allow the land to continue to serve as buffer, be compatible with neighbouring properties and the community and maximize benefits to the City as a whole (e.g., additional revenue, create jobs, economic benefits, etc.). Currently these lands are leased for agricultural purposes and revenue is returned to the City. These lands are the subject in this Report.

Nearby City-owned Lands to the W12A Landfill of Interest to Developers Today

The City continues to receive enquiries regarding the leasing of specific City properties by businesses who are interested in developing projects such as large-scale solar farms and more recently a greenhouse complex. Some of these lands are next to the large area known as the W12A Landfill and Resource Recovery area. The City owns these lands as they have been acquired to serve as buffer to the existing landfill operation and any future resource recovery and landfill operation.

Maps of these properties are provided in Appendix A. It is important to note that these are the properties outside the W12A Landfill and Resource Recovery area. This report does not deal with City-owned lands within the W12A Landfill and Resource Recovery area.

Opportunities and Constraints

The lands identified in Appendix A have current zoning requirements and property constraints that must be addressed and/or managed prior to the issuance of a Request for Proposals (RFP) for greenhouses or other compatible operations include but are not limited to:

Zoning Requirements

The lands are currently zoned Agriculture (AG2) which permits a variety of agricultural uses including greenhouse operations. The AG2 zone regulations include but not necessarily limited to: minimum lot area, lot frontage, setback, height, and building/operation coverage among other things. A zoning by-law amendment may be required to ensure the land opportunities are optimized.

Available Municipal Services and Agency Approvals

The subject lands are approximately 170 acres (about 69 hectares) in land area on the north side of Manning Drive along Wellington Road and another 129 acres (about 52 hectares) on the south side of Manning Drive.

Municipal Services:

- Water is available and may be able to be optimized – further review is required,
- Municipal sanitary sewer is not available. Opportunities may exist to tie into the forcemain. Private waste disposal system is an option – soil conditions and land use will determine viability,
- Municipal storm sewer is not available. Storm water management may be required – subject to land use and therefore requires further review, and
- Municipal drain currently impact parts of the subject lands.

Agency Approvals:

- Regulated by the Kettle Creek Conservation Authority,
- Ministry of Environment Approval may be required,
- Ontario Ministry of Agriculture and Food (OMAF) approvals may be required, and
- Other agency approvals may be required.

Processes that Must be Followed

The Site Plan Control By-law Act does not require Site Plan Approval for Agricultural and Farm related buildings. Notwithstanding, due to the scale and potentially long term nature of an operation, the RFP will require the proponent to undertake the Site Plan Approval process or equivalent to ensure the land use and operation of the development on City lands meets or exceeds requirements.

The necessary public processes for a zoning by-law amendment (ZBA) and administrative steps will be required.

Action to be Taken

City staff will complete the inventory of constraints and requirements and identify the processes to remove/manage the constraints. This work will also identify the kinds of businesses that can be operated on City-owned land through a lease arrangement.

Request for Proposal (RFP) Process

The RFP process ensures transparency and is consistent with the current process for the City-owned lands in this area. The RFP process (or a tender) is also the traditional approach taken for leasing lands or facilities from the City. It is worth noting that Council can direct staff to negotiate through a sole-source arrangement with a business.

The RFP would limit the types of operation the City desires to have on these lands considering zoning requirements, zoning amendments, land constraints and community expectations. The factors to be included in the RFP evaluation for the permitted development would likely include:

- proponent experience with proposed operation,
- fit of operation in the area,
- financial capability of the proponent,
- capital investment in the project,
- review of the business plan,
- lease rate payable to the City, and
- economic benefits to the City of London and region.

Next Steps and Preliminary Timeline:

It is anticipated that Civic Administration will undertake the necessary public processes for a zoning by-law amendment (ZBA) and administrative steps and finalize the RFP within the next 6 to 8 months. A ZBA process is a public process which may impact timelines.

To minimize the time required to have an RFP ready, a parallel process would be undertaken, where possible, for a number of activities. The following table tentatively outlines our next steps and approximate timelines for activities dealing with City-owned land in the vicinity of the W12A landfill Site and Resource Recovery Area. It must be emphasized that this is a preliminary time line.

Task	Timeline
Complete inventory of constraints on City-owned land and process to remove the constraints and/or requirements to manage the constraints	October to November 2014
Finalize list of potential business opportunities that could be undertaken on these properties and list of potential companies	October to November 2014
Develop and complete request for proposals (RFP) documentation	December 2014 – January 2015
Initiate process to address and/or manage land use constraints	December 2014 – Spring 2015
Release RFP with complete information on available land, servicing needs and potential businesses (e.g., greenhouse)	Spring 2015

SUMMARY

The details and process steps provided in this Report are required to be undertaken to maximize the economic development opportunities for City-owned lands nearby but outside the lands identified for W12A Landfill and Resource Recovery area. Assuming no delays and few complexities, it is possible to complete required work and the RFP process within the next 6 to 8 months.

Required work must address the current zoning requirements and property constraints prior to the issuance of a Request for Proposals (RFP) for greenhouses or other compatible operations. The RFP process ensures transparency and is consistent with the current process for the City-owned lands in this area. As noted above, Council can direct staff to negotiate through a sole-source arrangement with a business for these lands.

PREPARED BY:	PREPARED AND CONCURRED BY:
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Appendix A Map of City-Owned Properties in the Vicinity of the W12A Landfill Site and Resource Recovery Area

- c: Kapil Lakhotia, General Manager, London Economic Development Corporation
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Appendix A

Map of City-Owned Properties in the Vicinity of the W12A Landfill Site and Resource Recovery Area

